

# LIONTRUST MULTI-ASSET PORTFOLIO SERVICES

Our Multi-Asset Portfolio Services offer a broad range of target risk and actively managed model portfolios to meet most clients' risk and return objectives. The portfolios are managed by the experienced Liontrust Multi-Asset team headed by John Husselbee, and are designed to help your clients to reach their financial goals. There are two ways in which you and your clients can access our Growth, Income and Dynamic Beta portfolios: the Liontrust Wealth Solutions Service and the Liontrust Managed Portfolio Service.



## How our Portfolio Services add value to you and your clients

We strive to add value to you and your clients through Transparency, Value for Money and Suitability:



### TRANSPARENCY

#### What we expect:

- We are given regular updates on the underlying funds to ensure they are being managed according to their stated objectives and investment processes
- We gain access to the underlying fund managers to probe their thinking and evaluate their contentment and commitment
- We are given the insights of fund managers and economists into markets, economics, politics, themes, sectors and stocks to help us analyse our underlying funds, portfolio construction and tactical asset allocation

#### What we deliver:

- We send you regular and clear communications about your clients' investments and any changes to portfolios
- We provide you with regular access to the Liontrust Multi-Asset team, who manage all the portfolios for you and your clients
- We create product and educational content and materials for you to use with your clients to explain investments and our portfolio service in a clear and engaging way



### VALUE FOR MONEY

#### What we expect:

- Offered access to underlying funds and vehicles through the lowest cost share classes
- Only hold those actively managed funds we believe can provide better returns net of fees than indices over the long term
- We are given in-depth data and information from asset managers about the underlying funds in our portfolios to aid our ongoing monitoring and analysis

#### What we deliver:

- We aim to keep costs to a minimum and are often able to invest in underlying funds on better terms than those commonly available
- The Multi-Asset team seek to add value through each of strategic asset allocation, fund selection and portfolio construction
- We add value through working in partnership with you and the dedicated sales, marketing and operational support we provide you, including events, communications and training



### SUITABILITY

#### What we expect:

- Underlying fund managers must have proven and repeatable investment processes so they manage their funds in the way we expect over the long term
- Attribution analysis to show the underlying funds do not experience style drift and remain within their stated risk parameters
- Long track records to demonstrate how the underlying funds perform in different economic and market environments

#### What we deliver:

- Our broad range of target risk portfolios enable clients to choose the portfolios appropriate for their individual objectives and appetites for risk
- The portfolios are designed to deliver the outcome expected by clients dependent on their appetite for risk
- The Multi-Asset team's investment philosophy is to strive to "win over the long term by not losing" and they do this by seeking to manage risk and limit losses in falling markets to enhance long-term returns within each risk target

## Distinct offering

- **Broad choice:** WSS comprises 26 portfolios and MPS offers 22 portfolios to suit different attitudes to risk, investment objectives and time horizons
- **Portfolio flexibility:** Your clients can switch between Growth, Income and Dynamic Beta portfolios as their risk profile and objectives change
- **Long-term advice:** Clients can stay in the service through the accumulation and decumulation phases of their lives
- **Target risk portfolios:** The portfolios are designed to deliver the outcome expected by clients dependent on their appetite for risk

## Experience and insight

- **Experience:** The Liontrust Multi-Asset team comprises John Husselbee (Head of the team), James Klempster (Deputy Head), Paul Kim, Mayank Markanday, Jen Causton and Shayan Ratnasingam. The team has more than 100 years of combined investment experience.
- **Insight:** This experience enables the fund managers to identify and separate investment innovations from fads, evaluate the motivations of fund managers and detect any changes in their contentment and commitment
- **Long track record:** The team has a long track record of meeting client expectations through the management of target risk portfolios



**John Husselbee**  
Head of the Liontrust  
Multi-Asset team



**James Klempster**  
Deputy Head of the  
Liontrust Multi-Asset team



**Paul Kim**



**Mayank  
Markanday**



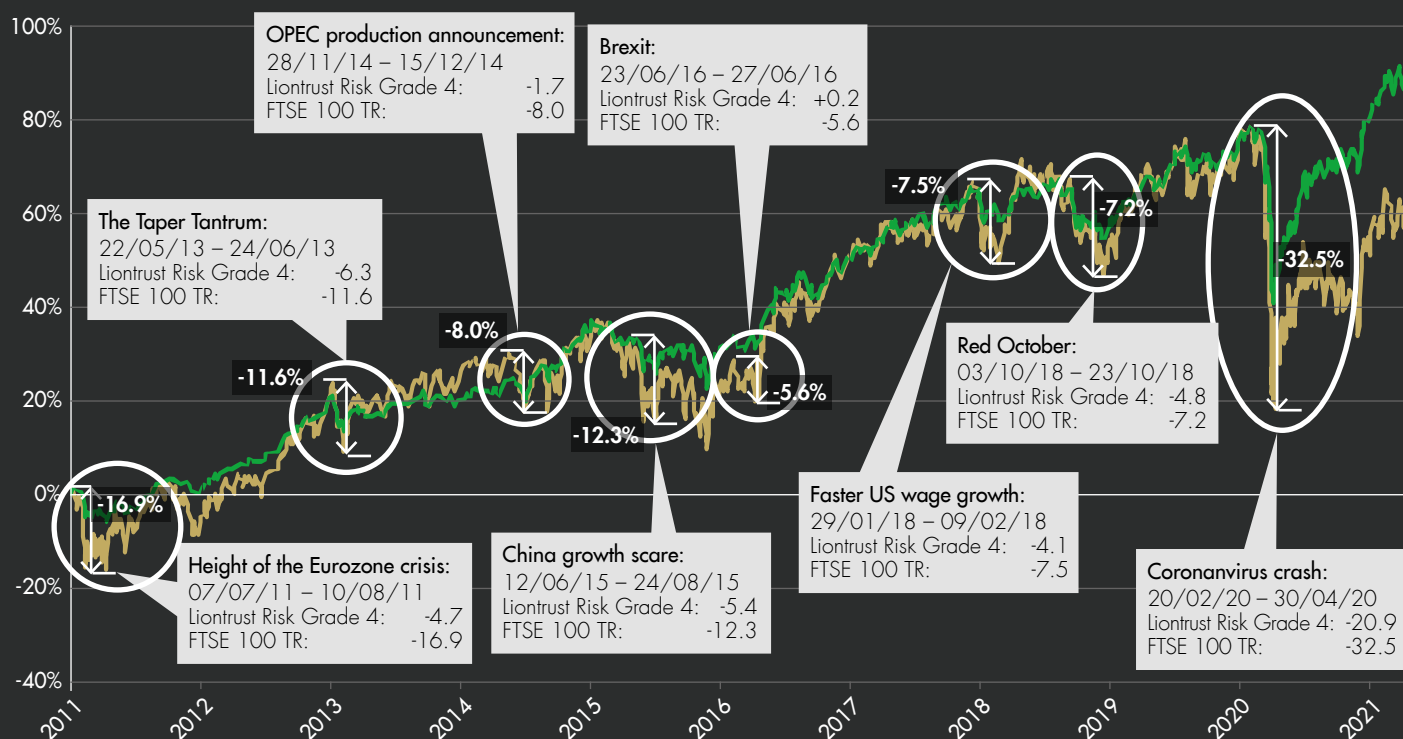
**Jen Causton**



**Shayan  
Ratnasingam**

## Investment approach

- **Diversification:** The portfolios each provide diversification across a range of different funds, fund managers, geographical regions and asset classes
- **Investment process:** The rigorous process is designed to deliver the outcome expected by investors and generate maximum returns for each model portfolio within the pre-determined volatility ranges
- **Winning by not losing:** The fund managers' investment philosophy is to strive to "win over the long term by not losing", trying to deliver relatively smoother returns than individual single strategy funds over the long term as shown in the chart below
- **Risk management:** Liontrust has a strong focus on risk management to ensure the portfolios meet their individual risk targets



Source: Morningstar, Liontrust 30.06.11 to 31.03.21. Model shown is that of Liontrust's WSS offering.

Past performance is not a guide to future performance, investments can result in total loss of capital. Please refer to the Key Risks section for more information.

## Discrete years' performance (%)

12 months to quarter ending:	Mar-21	Mar-20	Mar-19	Mar-18	Mar-17
<b>Liontrust Risk Grade 4</b>	<b>27.6</b>	<b>-8.9</b>	<b>3.1</b>	<b>4.1</b>	<b>15.6</b>

Source: Morningstar, as at 31.03.21

## Enhanced services offered by WSS

- White label: The full service is offered to you in your own branding, including the name of the portfolios, literature, online dealing and communications. You are also provided with real time online valuations

- Dynamic modelling: This ensures the portfolios remain within defined risk targets and allows your clients' portfolios always to be in line with the fund managers' tactical asset allocation regardless of when they invest

## Target risk and target market

Each of our portfolios has a distinct risk profile expressed in terms of target volatility. Higher levels of volatility for a portfolio will usually imply the potential for a higher return and a higher level of risk.

Our broad range of portfolios is suitable for all types of investors, from basic to experienced. Which portfolios are appropriate for individual clients will depend on their risk profile, objectives and time horizon.

The services comprise Growth, Income and Dynamic Beta portfolios:



**Growth portfolios** are designed to deliver long-term capital growth

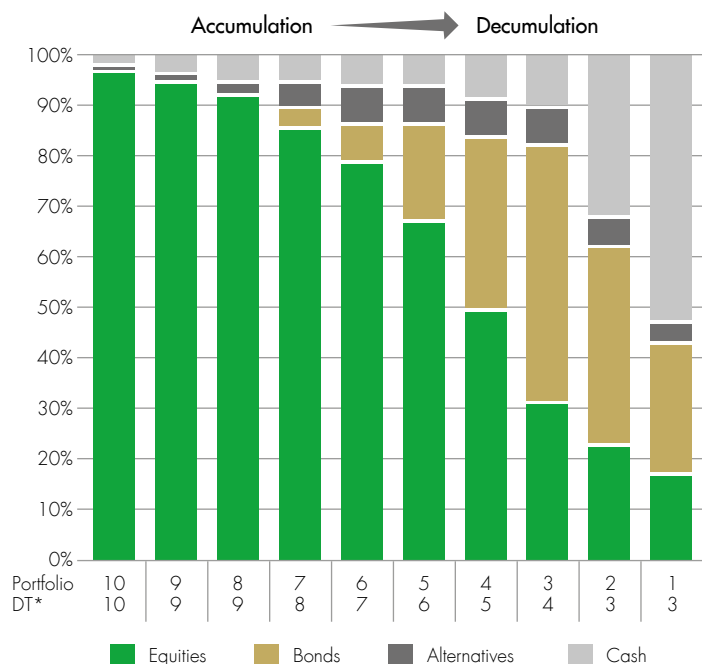


**Income portfolios** are designed to deliver an attractive and rising level of income in addition to some long-term capital growth



**Dynamic Beta portfolios** are designed to deliver long-term capital growth at a competitive price, predominantly through the use of passive strategies

## Flexibility at either stage



\*Distribution Technology (DT) is an independent risk rating service. The company trades under the name Dynamic Planner and further details can be found on its website, [www.dynamicplanner.com](http://www.dynamicplanner.com). This chart is for illustrative purposes only and does not necessarily reflect the current positioning of the WSS/MPS portfolios.

## Liontrust investment process

The investment process is designed to achieve two main objectives:

- Target the outcome expected by investors in terms of the level of risk, as measured by volatility, of each model portfolio. This can enable clients to match the appropriate portfolio to your desired risk profile
- Maximise the return for each model portfolio while still targeting investors' level of risk

These two objectives are pursued through a quantitative and qualitative approach. The fund managers use a scientific approach to target the risk outcome expected but consider the maximisation of returns to require an additional element of experience, knowledge and qualitative interpretation.

There are five key stages to the investment process:



### Strategic asset allocation

Among the factors they analyse, the fund managers collate and study historical returns and volatilities of a range of asset classes, as well as their correlations with each other, and the pathway of future interest rates to determine the SAA that should meet the volatility target of the fund or portfolio over the long-term. The SAA is essentially the default asset allocation should the fund managers have no views about the relative attractiveness of different asset classes.



### Tactical asset allocation

The primary aim of the tactical asset allocation (TAA) is to increase exposure to an asset class when it looks cheap and reduce exposure when it appears expensive; the fund managers' focus is on valuations rather than market timing. They believe it is important to supplement the long-term benefits of the SAA with the flexibility to take advantage of valuation opportunities in the shorter term.



### Fund selection

The model portfolios hold a range of funds and fund managers, including active, passive and alternative investment strategies. The fund managers believe the key elements that should underpin fund selection are: investment process, fund manager experience, fund manager knowledge and fund manager incentive (including remuneration).



### Portfolio construction

The fund managers want to ensure the underlying funds are exposed to the segment of the market they feel has the most potential for outperformance while reducing unintended risk. Therefore, they consider how each holding interacts with each other in terms of correlation, risk and return to ensure the benefits identified at the holding and sector levels are not diversified away when grouped together at the fund level.



### Monitoring, review and risk management

The Liontrust Multi-Asset team is given regular updates, including in-depth data, on the underlying funds to ensure they are being managed according to their stated objectives and investment processes. This includes attribution analysis to show the underlying funds do not experience style drift and remain within their stated risk parameters. The managers gain access to the underlying fund managers to probe their thinking and evaluate their continued commitment.

# About Liontrust

Liontrust is a specialist fund management company that takes pride in having a distinct culture and approach to running money. Our purpose is to have a positive impact on our investors, stakeholders and society. What makes Liontrust distinct?

- The company launched in 1995 and was listed on the London Stock Exchange in 1999
- We are an independent business with no corporate parent, our head office is on the Strand in London and we have offices in Edinburgh and Luxembourg
- Our fund managers have the freedom to manage their portfolios according to their own investment processes and market views without

being distracted by other day-to-day aspects of running a fund management company

- Staying true to their documented investment processes helps to create an in-built risk control for our fund managers, especially in more challenging environments, by preventing them from buying stocks for the wrong reasons
- We aim to treat investors, clients, members, employees, suppliers and other stakeholders fairly and with respect. We are committed to the Principles of Treating Customers Fairly (TCF) and they are central to how we conduct business across all our functions

## Risk profilers and mapping tools

How to risk map our portfolios: Distribution Technology (Dynamic Planner), Synaptic and Defaqto.



## Comparators

How to review our portfolios against other managed portfolios: Defaqto, ARC (PCI), FE Transmission and Selectapension.



## Who to contact for more information

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## Key risks

Past performance is not a guide to future performance. Do remember that the value of an investment and the income generated from them can fall as well as rise and is not guaranteed, therefore, you may not get back the amount originally invested and potentially risk total loss of capital. The portfolios' investments are subject to normal fluctuations and other risks inherent when investing

in securities. Any performance shown represents model portfolios which are periodically restructured and/or rebalanced. Actual returns may vary from the model returns. There is no certainty the investment objectives of the portfolio will actually be achieved and no warranty or representation is given to this effect. The portfolios therefore should be considered as a medium to long-term investment.

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